

**Alabama State Department of Education**  
**Office of Student Learning, Special Education Services**  
**Alabama High Cost Fund (ALHCF) Guidance**

**1. What is the purpose of this grant?**

The High Cost Fund (HCF) provides additional funding in the provision of direct special education and related services to local education agencies (LEAs) that serve students with disabilities with exceptionally high cost needs.

**2. Are funds from this grant automatically provided to every LEA?**

No. Grant applications are required in order to identify and document needs for high cost services.

**3. What are the application requirements for this grant?**

An LEA is eligible to apply for this grant on behalf of any student, age 3-21, who qualifies for services under the *Individuals with Disabilities Education Act* (IDEA) and who also meets the predetermined criteria of a high-needs child with a disability. These students due to the severity of their disabilities, require multiple high cost special education and related services. ALHCF grants are eligible to be funded if the cost of services for one student exceeds three times the average state per pupil expenditure. The average per pupil expenditure is determined on an annual basis.

**4. How are the students with disabilities that have exceptionally high cost needs defined under this grant?**

A high-needs student with a disability is defined as being classified under the IDEA and receiving special education and related services identified in an Individualized Education Program (IEP) that exceed the typical needs of a student with a disability, thus creating a financial impact on the LEA. When the costs to provide a free and appropriate public education (FAPE) to a student with a disability exceeds three times the average per-pupil expenditure, an LEA may request an ALHCF grant. Only costs identified in the student's IEP and associated with providing direct special education and related services to the student are considered in determining whether a student is a high-needs child.

**5. Are there criteria for LEA participation in this grant?**

Yes. An LEA is eligible to apply for the ALHCF on behalf of any student, ages 3-21, with a current Individualized Education Program (IEP), who also meets the predetermined criteria in the definition of a high-needs child with a disability, and is currently receiving special education services that are deemed to be greater than three times the state's average per-pupil expenditure. An LEA must also meet additional criteria to receive and use of an ALHCF. Refer to the ALHCF plan and application for the additional criteria.

**6. How is this grant funded?**

The ALHCF is funded using a portion of the Alabama Federal *Individuals with Disabilities Education Act* (IDEA) Part, B grant allocation. The IDEA grants each State the option to set aside a percent of the allocated funds reserved for state-level activities to establish a "High Cost Fund" (HCF) for students with disabilities (34 CFR 300.704). The Alabama State Department of Education (ALSDE), Special Education Services (SES) has elected to reserve ten percent of the amount of funds that the SES reserves

based on other state-level activities under 34 CFR 300.704 (b)(1). **This is not new or additional monies received by the ALSDE.** These funds will remain under the control of the state until disbursed to an LEA to support a specific child who qualifies under the ALSDE plan for the ALHCF. The impact of the ALHCF on student services and placement may be monitored by the ALSDE.

**7. What is the total amount of funding available for this grant?**

The total amount available for this grant for the current fiscal year is 10% of the federal IDEA, Part B allocated funds.

**8. What is the period of availability for this grant?**

This grant is made available for the current fiscal year. Any unexpended or unclaimed funds at the close of the fiscal year will be reallocated to the next fiscal year IDEA, Part B allocations.

**9. When is the ALHCF grant application due?**

An ALHCF grant application may be submitted anytime between August through the ending date for submission, or as determined by funding available and discretion of the ALSDE. Applications submitted by the close of the business day October 1<sup>st</sup> annually, will be reviewed and award notifications will be provided within 45 days of the application submission deadline. If the ALHCF has any unobligated funds remaining after the 31<sup>st</sup> of October submission awards, the additional application submission timeline will be utilized.

**10. Can an LEA submit multiple ALHCF applications?**

Yes. An LEA must submit a separate application along with documentation that is required for each student considered for funding. However, to be fair and consistent, an LEA should refrain from submitting more than three (3) applications per submission period.

**11. On page 2, of the application under the “Statement of Financial Need” section, line 5 mentions “Minus 3 times annual per-pupil cost, how is that cost determined?”**

This amount has been calculated and provided on the application. See instructions for Statement of Financial Need. On page 2, line 5, “Minus 3 Times Annual Cost” refers to three times the annual excess cost which is the average State per pupil expenditure amount provided.

**12. On page 2, of the application under the “Statement of Financial Need” section, line 6 mentions “Minus Additional Funds”, what is this statement referencing?**

On page 2, line 6, “Minus Additional Funds” refers to costs that would otherwise be reimbursed as medical assistance for a student with a disability outside the education obligation to provide FAPE. (i.e., Medicaid, residential costs covered by DHR, Mental Health, etc.)

**13. There is a “Proposed Budget” form, attached to the application what is the purpose of this form?**

The purpose of the “Proposed Budget” form is to provide a detailed budget for the proposed amount of the ALHCF grant that is being requested. To complete, provide a detailed budget based on the total amount listed.

If an ALHCF grant is awarded, this budget will be incorporated as part of the grant award.

**14. What is the timeline for tracking the expenditures for services of the high-needs student?**

An LEA should track expenditures from the beginning of the school year (1<sup>st</sup> day of school) or the date the services begin in the case of a student who enrolled or becomes eligible after the first day of school.

**15. Are salaries and fringe benefits for special education personnel who work directly with high-needs student considered to be eligible costs that can be included in the services calculation?**

Yes. The special education services staff who work directly with a high-needs student that are considered eligible costs allowable under the ALHCF grant include the following: special education teacher, counselor, school psychometrist, paraprofessional, social worker, bus drivers, and nursing services beyond those typically required in school.

**16. How should costs for special education personnel who work directly with a high-needs student be calculated?**

These costs should be prorated based on the amount of time the individual staff member provides direct services to the student and/or prorated based upon the number of children served with the student.

**17. Are there costs that are not allowed under this grant?**

Yes. Unallowable costs include the following: legal fees, court costs, or other costs associated with a cause of action brought on behalf of a child with a disability to ensure FAPE, non-extraordinary nursing costs, facility construction costs, secretarial services, indirect costs, and administrative and leadership costs associated with the provision of the services for the student.

**18. What fund source code should be used regarding the ALHCF grant?**

The LEA must use the IDEA High Cost Fund Source Code 3213.

**19. What documentation is required to be maintained once the ALHCF has been awarded?**

LEAs must create and maintain adequate and sufficient documentation for **all ALHCF grant expenditures** for services. Sufficient documentation include the following: all invoices relating to the high cost needs of the student, inventory documents, time and effort spent toward the ALHCF grant, certification reports, prorated salaries of any personnel who provide services to the high-needs student, current IEP and eligibility report, the budget developed for the ALHCF, etc.

**20. Who should I contact if I need assistance?**

If you have general questions regarding the ALHCF, contact Erika Richburg at [erichburg@alsde.edu](mailto:erichburg@alsde.edu) 334-694-4782. If you have questions regarding request for reimbursement or accounting guidance, please contact Brady Vaughn at [bvaughn@alsde.edu](mailto:bvaughn@alsde.edu) or 334-694-4617.